

Integrated Road Map:

Positioning WFP for a Changing World

8 January 2016



World Food Programme

WFP's approach to achieving Zero Hunger involves four interrelated processes that are under development



- Align Strategic Plan and objectives with relevant Sustainable Development Goals
- Provide holistic and coherent view of operational and management results in a Corporate Results Framework
- Define WFP's role and portfolio of assistance through the Country Strategic Planning approach
- Better align resources and results to improve decision-making with an alternative budget structure developed through the Financial Framework Review

During the Second Session of the Executive Board in November 2016, the Board will consider the Strategic Plan (2017-2021), the Corporate Results Framework, the Country Strategic Plan approach and an alternative budget structure

Alignment of Strategic Plan, Country Strategic Plan, Corporate Results Framework and Financial Framework Review

Integrated road map

Financial Framework Review

I Strategic Plan and Country Strategic Plan

Support countries towards achieving zero hunger, operationalize WFP's corporate Strategic Plan at country level and improve WFP strategic positioning at national and global levels

II Corporate Results Framework

Support the implementation of the Strategic Plan by providing a holistic view of operational and management results

III Budgeting for Operational Effectiveness

Revise WFP's budget structure to reduce internal fragmentation, simplify processes and maximize transparency and accountability

IV Resource-based planning

Standardize resource-based plans at the country office level to improve planning and performance management

V Macro advance financing

Provide aggregated budget authority for country offices earlier to increase predictability of resources and enhance efficiency and effectiveness

Part I: Integrated Road Map: Strategic Plan/Country Strategic Plan, Corporate Results Framework, Financial Framework Review (Budgeting for Operational Effectiveness)

Part II: Update on other elements of the Financial Framework Review

- Resource-based planning
- Macro Advance Financing

I STRATEGIC PLAN AND COUNTRY STRATEGIC PLAN



CORPORATE RESULTS FRAMEWORK

Corporate Results Framework

- Supports the Strategic Plan and provides a holistic view of both operational and management results
- Consolidates the current Strategic Results Framework and the Management Results Framework
- Main structure for performance planning, monitoring and reporting at global, regional and country office levels
- Provides a direct link to resources and results, with relevant key performance indicators

BUDGETING FOR OPERATIONAL EFFECTIVENESS

Characteristics of the potential budget structure

Goals:

- A **clear line of sight** from strategy, planning and resourcing to results
- Demonstration of **cost effectiveness and cost efficiencies** better enabled
- Improved ability to demonstrate **impact and accountability**
- Improved ability to demonstrate **competitiveness**
- A unified, **simplified** structure

Characteristics of the potential budget structure

- Country Director discussions; Country Office mock ups; Expert Working Group in Dubai (November); Global Management Meeting (December)

How we might get there:

- A **country portfolio budget which provides an overview** of all operations, with the Country Strategic Plan setting the vision
- A **single annual** budgetary cycle for all Country Offices
- A budget structure that **aligns to operational delivery**

Emerging budget structure for testing and validation

Country Portfolio Budget

- Based on SDG Targets
- Focused on activities for operational purposes
- Includes a breakdown of costs which will
 - Improve transparency and articulation of costs
 - Enable more coherent roll-up of costs
- Allows for functional management of costs

Prototypes to be developed with Country Offices

The following slide is meant to be considered as emerging opportunities for the Executive Board and the membership over the coming 3 – 6 months

Potential governance opportunities

1. Opportunity to change the basis on which authority is conferred

This would imply a strategic shift in governance from the current project-based approval

2. Opportunity to review how changes and budget revisions are managed

3. Opportunity to review the information required for the Executive Board to provide oversight and make decisions

Reminder: Basic Principles

While the current architecture may need significant change, three underlying principles should remain:

- the voluntary funded nature of WFP
- the principle of full cost recovery
- the principle of contribution-specific expenditure tracking

2016 Timeline for the Strategic Plan (2017 – 2021) and CRF, Country Strategic Planning approach, and Financial Framework Review

8 January: Informal consultation on the integrated roadmap for development of the WFP Strategic Plan and the CRF, CSPs and the Financial Framework Review

1 April: Informal consultation on the first draft of the WFP Strategic Plan and the CRF
Update on the integrated roadmap, including CSPs and the Financial Framework Review

June: Annual Session of the WFP Executive Board: Update on the Financial Framework Review (*for consideration*)

2 September: Informal consultation on the final draft of the WFP Strategic Plan and the CRF

November: Second Regular Session of the WFP Executive Board: WFP Strategic Plan (2017 – 2021) and the CRF *for approval*; Country strategic planning approach *for approval*; Financial Framework Review *for approval*

February: First Regular Session of the WFP Executive Board: mid-Term Review of the WFP Strategic Plan (2014 – 2017) *for consideration*

9 May: Informal consultation on the second draft of the WFP Strategic Plan and the CRF

25 July: Informal consultation on the second draft of the WFP Strategic Plan and the CRF

11 October: Informal consultation on the Financial Framework Review, with an update on the integrated roadmap

Part II: Update on other elements of the Financial Framework Review

- Resource-based planning
- Macro Advance Financing

IV RESOURCE - BASED PLANNING

Resource-based planning creates a realistic planning layer to distinguish between 'needs' and 'plans'

- WFP will continue to advocate for full funding of all beneficiary requirements and needs assessments will remain the basis for programme design and intervention
- Adding an operational planning layer aligned to projected resources enables:
 - Better comparison between original plans and operational results
 - Project implementation planning on a rolling 12-18 month basis to optimize resource usage
 - Assessment of performance in terms of value for money
 - Clearer articulation of funding shortfall impacts
- Resource-based plans have been developed in four out of eight pilot countries; the remaining four will be implemented by the end of January.

V **MACRO ADVANCE FINANCING**

Macro advance financing for country offices to improve project continuity and operational effectiveness

Objective

- Increase operational effectiveness through greater predictability of timing and level of resourcing

Concept

- Provide aggregated budget authority to country offices to incur costs based on historical funding trends, projected cash funding, risk assessment and other relevant variables
- Builds on project lending experience and lessons learned from non-donor specific advances and multilateral guaranteed advances

Pilot Implementation

- Macro advances of US\$90 million authorized for four pilot countries (with resource-based plans) by SRAC
- Proposals for remaining four pilot countries will be reviewed in the coming six weeks
- Monitoring of funding projections and repayment of advances with contributions received (in line with donor conditions)

Assessments during and at the conclusion of the pilot will quantify realized gains in operational efficiency and effectiveness

Thank you